

State of California

BOARD OF EQUALIZATION

CIGARETTE AND TOBACCO PRODUCTS TAX REGULATIONS

Regulation 4081. SAMPLE CIGARETTES AND TOBACCO PRODUCTS.

Reference: Sections 30005, 30005.5, 30008, and 30009, Revenue and Taxation Code.

The giving away in this state of untaxed cigarettes or tobacco products as samples is a taxable distribution.

Manufacturers' agents or representatives may for advertising purposes, as permitted by state law and the terms of the November 23, 1998 Master Settlement Agreements with the state which are applicable to the signatories to those Agreements, distribute to consumers packages of cigarettes without stamps or meter impressions affixed to the packages or untaxed tobacco products. However, the manufacturer giving away such sample cigarettes or tobacco products must report the distribution on its monthly report or return and pay the tax due. Each package of such sample cigarettes shall have imprinted on it: "Not for Sale. Applicable state tax has been paid." and each package of sample tobacco products shall be clearly marked as a sample.

Cigarette manufacturers shall notify the board in writing in advance of the sampling, giving information as to the approximate date or dates, location or locations, brand, and method of distribution.

History: Adopted September 13, 1961.

Amended January 12, 1968.

Amended April 11, 1972, effective May 14, 1972.

Amended September 26, 2001, effective February 15, 2002. Added references to tobacco products. In second paragraph, added "as permitted by state law . . . those Agreements," added "or return" after "report", and added "and each package of sample tobacco products . . . sample." In the third paragraph, added "Cigarette" before "manufacturers and deleted "volume" after "brand".